

Chairperson: Supervisor Richard D. Nyklewicz, Jr.

Clerk: Delores "Dee" Hervey, 278-4230

Research Analyst: Steve Cady, 278-4347

COMMITTEE ON FINANCE AND AUDIT
Thursday, March 29, 2007 - 9:00 A.M.
Milwaukee County Courthouse - Room 201-B

MINUTES

PRESENT: Supervisors McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

Cassette Tape #53:A&B-EOT

Cassette Tape #54:A-EOT & B-531

SCHEDULED ITEMS:

1. 07F12 Report from Milwaukee Public Museum (MPM) Financial Oversight Committee.

53-A-13 APPEARANCE(S):

Chairman Lee Holloway, County Board of Supervisors

Daniel M. Finley, President, Milwaukee Public Museum

Michael Falbo, Associated Bank

Mr. Falbo summarized the report, which covered the second fiscal quarter ending February 28, 2007 for the 2006 and 2007 year. Financial statements were attached with the report.

It was reported that donations, contributions, and expense controls are meeting or exceeding budget. The Museum would no longer be able to meet its cash obligations under the existing financing structure. The Museum Oversight Committee will remain in existence until any guarantee on the loan by Milwaukee County has been extinguished and is no longer in effect.

Supervisor Nyklewicz provided information regarding the County's financial contribution:

- 1990 the actual County contribution in levy for the museum was \$5.3 million
- 1992 it was down to \$4.3 million, which was the amount anticipated as the museum moved to a privatized venture
- 1997 it was \$3.9 million
- 2002 which was the first year of the County Executive and his administration, \$4.3 million
- 2007 the amount had slipped to almost \$3.3 million dollar reduction in County support for the museum

SCHEDULED ITEMS (CONTINUED):

It was mentioned that the research or educational capacity that the institution once had, which made it one of the premier museums in the country, is no longer there.

- 53-A-264** Mr. Finley gave an update on the Recovery Committee's negotiations. Substantial progress has been made in attaining a final package that will be submitted to the County Board for approval. Complete details were not revealed due to pending negotiations. The banks have proposed about a 2/3 reduction in the museum's annual debt service, which is a major step forward for all parties concerned.

Mr. Finley said the County has put some significant proposals on the table that will assist the museum. He thanked the County for saving the museum in the past. Mr. Finley read a letter to Supervisor Nyklewicz dated March 28, 2007, from Mike Grebe of the Bradley Foundation. The letter mentioned a \$5 million donation to the museum from a private entity as well as the Bradley Foundation.

The final details for the County Board to review could be within a few days.

- 53-A-293** Chairman Holloway addressed the Committee and stated that he is pleased with the museum's financial progress to date. He commended the staff, the Oversight Committee and that the results should be positive for all parties concerned.

- 53-A-342** Mr. Finley commended Chairman Holloway that motivated the financial institutions to take steps in assisting the museum.

The Committee took no action regarding this informational report.

2. 07-12 From Director, Department of Administrative Services and Director, Division of
(a) Economic and Community Development, Department of Administrative Services-
Economic and Community Development 2006 Deficit. **(Also to be considered by the
Committee of Economic and Community Development)**

- 53-A-375 APPEARANCE(S):**
Robert Dennik, Director, Division of Economic and Community Development-DAS
Rob Henken, Director, Department of Administrative Services (DAS)
Ed Eberle, County Executive's Office
Cynthia Archer, Fiscal and Budget Administrator, DAS

Mr. Henken summarized the issue of the \$2.5 million deficit for the year ending 2006.

He reported on the corrective action plan:

- 1) A request to the Chairman of the County Board that the Department of Audit analyze and report on the causes of the 2006 ECD deficit.
- 2) Bring in outside accounting expertise to perform a final reconciliation of 2006

SCHEDULED ITEMS (CONTINUED):

expenditures and revenues and access the current state of the division's fiscal affairs. The firm identified for the sole source contract is Hoppe and Orendorff, S.C. in the amount of \$50,000 for three to six months.

53-A-457 Mr. Henken stated the dollars for the sole source contract would come from the ECD's professional services account. It is also possible that a fund transfer would be submitted later in the year. He further stated that other dollars within DAS could be used to pay for this contract.

53-A-458 Mr. Dennik apologized to the Committee regarding the deficit. He explained what had transpired in his division. The biggest draw down of federal dollars took place at the end of the year continuing into 2007 and the dollars never materialized.

Discussion continued about not having a certification list for the position of accountant. Comments were made that there needs to be an internal management capacity to manage the operation long after the outside consultant is gone.

During the discussion it was stated that the County Board did not adjust or revise the revenue expectations for the department/division. It was the department and County Executive who put the numbers together and now the deficit is being revealed in 2007 near the close of the 2006 books. There is a potential impact in 2007 of up to a million dollars or greater. The Committee wanted to know how this would be addressed.

The department was unable to respond.

Supervisor Nyklewicz said that the same measures should be taken as with any deficit, refer and lay over to County Board staff, Audit Department and the department involved for a report back at the next regular meeting as to what the contributing factors were for the deficit in 2006. In addition, what the magnitude is expected to be in 2007 with a corrective action plan from the department on how to resolve the issue for 2007.

53-A-562 **ACTION BY: (McCue) Lay over to the May cycle and refer to County Board staff, Department of Audit staff and the Department for a report back as to what the contributing factors were for this deficit in 2006. In addition what the magnitude is expected to be in 2007 with a corrective action plan from the Department on how to resolve the issue for 2007. Vote 7-0**

53-A-564 Discussion continued on what actions the County Executive did with other departments who had deficits. It was stated that the County Executive should ensure both department and division heads have fiscal/accounting people in place to avoid future deficits.

SCHEDULED ITEMS (CONTINUED):

53-A-670 Ms. Archer responded to the fiscal staffing issue within the ECD division and the recruitment efforts for a CPA.

53-B-98 **On the motion to lay over. Vote 7-0**

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

3. 07F13 From Fiscal and Budget Administrator and Controller, an updated Preliminary Fiscal Report for the year ended December 31, 2006.

53-B-103 **APPEARANCE(S):**

Scott Manske, Controller-DAS

Jerome Heer, Director of Audits

Mr. Manske reviewed the subject report. Comments ensued.

The Committee took no action regarding this informational report.

4. 07-136 From Fiscal and Budget Administrator, submitting (Preliminary) Report of 2006 Carryovers to 2007.

53-B-205 **APPEARANCE(S):**

Jerome Heer, Director of Audits

Scott Manske, Controller-DAS

Steve Cady, Fiscal and Budget Analyst, County Board

Supervisor Nyklewicz suggested that the Audit Department focus on the final report with due diligence and scrutiny on the final numbers for 2006.

Discussion ensued. Supervisor Mayo advised the department to notify the ECD Committee of any ECD Carryovers.

Mr. Cady said a final report would be provided at the next meeting.

The Committee took no action regarding this informational report.

5. 06-395 **Adopted Budget Amendment 1A042**, directing the Chief Judge and Sheriff, to submit a
(a) report regarding a service level agreement for the provision of bailiff personnel and the methodology by which charges for such services shall be charged. **(Also to the Committee of Judiciary, Safety and General Services) (1/25/07 laid over) (2/22/07 no action taken) (Written report)**

53-B-246 **APPEARANCE(S):**

Chief Judge Kitty Brennan

SCHEDULED ITEMS (CONTINUED):

Inspector Kevin Carr, Sheriff's Department

Judge Brennan addressed the Committee. She stated that an agreement had been reached on the cross charging and an understanding on staffing levels. They are waiting to see how the District Attorney's reorganization may affect any changes. She said that an additional deputy sheriff is needed on the 7th floor of the courthouse, which relates to all family law cases. A recent incident on that floor resulted in no fatalities because bailiffs were in the surrounding courts and the altercation was in the hallway. Deputy Sheriffs did respond immediately and arrests were made.

- 53-B-317** Supervisor Nyklewicz asked Judge Brennan to meet with Mr. Cady and get correspondence to the Committee so a formal review for her request could begin.

Supervisor Mayo said the request should be in writing because this would be a tax increase. Inspector Carr said he would take this information back to Sheriff Clarke.

- 53-B-358** **ACTION BY: (Johnson) Receive and place on file.**

- 53-B-366** Supervisor West inquired about the possibility of using non-sworn positions and/or retirees to help augment the bailiffs in the courtrooms. She wants the County to be proactive as it relates to incidents in the courthouse.

The Committee requested a report regarding incidents occurring in the courthouse that require deputy sheriffs to respond.

- 53-B-382** Supervisor Nyklewicz suggested that Mr. Cady, who was a former analyst in the Sheriff's Department, would be a good resource to obtain data to assist the Committee in formulating an opinion.

Supervisor Mayo also requested a report from staff on the number of deputies from 2002 until the present and any reductions.

On the motion to receive and place on file and additional staff information. Vote 7-0
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

6. 07-12 From Acting Director, Child Support Enforcement, reporting a potential revenue deficit
(a) of \$1.3 million in 2007 based on the timing of State Child Support Program payments.
(Also to be considered by the Committee of Judiciary, Safety and General Services)

- 53-B-394** **APPEARANCE(S):**
Lisa Jo Marks, Acting Director, Child Support Enforcement

Ms. Marks addressed the Committee of the potential deficit. She stated that the

SCHEDULED ITEMS (CONTINUED):

Governor's budget contains \$2.7M for General Purpose Revenue (GPR) for SFY2008 and \$5M for GPR in SFY2009 for funding the County Child Support Programs. However, there is no timeline for distribution of these funds to the respective counties.

53-B-444 ACTION BY: (Johnson) Receive and place on file. Vote 6-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, and Nyklewicz (Chair)-6

NOES: None

EXCUSED: West-1

7. 07-139 From Director, Department of Transportation and Public Works, requesting authorization to amend General Ordinance 15.17(2) to provide an increase to the imprest fund for the Highway Maintenance Division from \$150 to \$1,150.

53-A-454 ACTION BY: (Mayo) Moved approval. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

8. 06-395 **Adopted Budget Amendment 1B027**, a quarterly report to the Committees on Finance and Audit and Transportation and Public Works on the status of all currently authorized Airport Capital Improvement Projects. **(Also to the Committee on Transportation, Public Works and Transit) (FOR INFORMATION ONLY UNLESS OTHERWISE DIRECTED)**
(a)

53-B-465 APPEARANCE(S):

Barry Bateman, Airport Director, GMIA

Anthony Sneig, Deputy Director, GMIA

Pamela Bryant, Capital Finance Manager, DAS

ACTION BY: (Mayo) Refer to Work Group established in the Budget.

Supervisor Johnson requested a report on the Noise Mitigation Plan. Supervisor Nyklewicz directed GMIA staff to meet with Supervisor Johnson to address his concerns.

On the motion to refer to the Work Group. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

9. 06-395 **Adopted Budget Amendment 1C004**, directing the County Board and Audit Staff, working in conjunction with the Controller and Director, Department of Administrative Services, shall study alternative options to allocate fringe costs to departmental budgets. The study shall include, but not be limited to, exploring options to quantify and allocate actual fringe benefit costs of active employees separate from inactive or retired employees. **(Report to both Finance and Audit and Personnel Committees) (Report**
(a)

SCHEDULED ITEMS (CONTINUED):

from Employee Fringe Benefits Cost Allocation Work Group)

53-B-496 APPEARANCE(S):

Steve Cady, Fiscal & Budget Analyst, County Board
Cynthia Archer, Fiscal and Budget Administrator, DAS

Mr. Cady highlighted the report.

Comments ensued.

53-B-593 ACTION BY: (Mayo) Receive and place on file. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

10. 07-11 From County Treasurer, submitting the Fourth Quarter Investment Report.
(a) **(FOR INFORMATION ONLY UNLESS OTHERWISE DIRECTED)**

53-B-597 APPEARANCE(S):

Daniel Diliberti, County Treasurer

53-B-615 ACTION BY: (Mayo) Receive and place on file. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

11. 07-1 Fund Transfers.

53-B-622 APPEARANCE(S):

Barry Bateman, Airport Director, GMIA
Pam Bryant, Capital and Budget Manager, DAS
Inspector Schmitt, Sheriff's Department

All fund transfers were signed.

Comments by Supervisor West on recruitment in the Sheriff's Office to fill the Nurse Practitioner positions. Inspector Schmitt provided an update on the recruitment efforts.

53-B-625 ACTION BY: (Mayo) Approve. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

12. 07-137 From Superintendent, House of Correction, requesting authorization to abolish one Administrative Assistant (NR) and create one Fiscal Assistant 2 position at the House of Correction. **(Also to Committee on Personnel and DAS-Human Resources) (Report from DAS)**

SCHEDULED ITEMS (CONTINUED):

53-B-668 ACTION BY: (Mayo) Approve. Vote 7-0
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

13. 07-159 From Director, Department of Administrative Services, requesting authorization to abolish the position of Deputy Director of Human Resources and create the position of Labor Relations Coordinator. **(Also to Committee on Personnel and DAS-Human Resources) (Report from County Board Staff)**

53-B-671 ACTION BY: (Mayo) Lay over to County Board Staff. Vote 7-0
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

14. 07F14 From the Director of Administrative Services and Employee Benefits Division, submitting a monthly report on Health Care Expenditures for 2006 and 2007 – March 2007 Report. **(FOR INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

53-B-676 APPEARANCE(S):
Rob Henken, Director, Department of Administrative Services
Patty Yunk, DC 48
Scott Manske, Controller-DAS

Mr. Manske highlighted the report. The current status is an estimated deficit of \$8.5M for 2006 under the self-insured model. The estimate of the health care shortfall is being updated to a deficit of \$8.3M. He reported the additional costs of the County shifting to self-insured from a fully insured plan was \$1.7M.

The total fringe benefit revenues costs for 2006 are projected to be \$152,842,000. The status for 2007 is based on enrollments. The total number of active enrollments is 4,531 and the number for retired enrollments is 5,968. This decrease is estimated at \$2.5M. These are preliminary numbers. An additional open enrollment was conducted for AFSCME DC-48.

53-B-734 Discussion ensued.

53-B-756 Mr. Henken reported that he is very close in presenting a nominee for the Director
54-A-03 Division of Employee Benefits for Milwaukee County.

54-A-66 Ms. Yunk addressed the Committee about how the costs for various plans are determined. She felt that a confirmation that numbers are accurate would be helpful in conducting an analysis to secure additional savings. Ms. Yunk said the complexity of the mail order pharmacy has been an issue with some of the union members.

SCHEDULED ITEMS (CONTINUED):

Supervisor Nyklewicz requested a status report tracking the County's progress toward meeting 2006 budgeted expenditures for health insurance. In addition, the report should include information on mail order pharmacy usage.

ACTION BY: (Broderick) Request an update status report for the July cycle and include information on the mail order pharmacy usage. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

15. 06-350 (a) Status Report from the Employee Health Care Work Group on Employee Health Care. **(Also to the Committee on Personnel) (VERBAL REPORT) (FOR INFORMATION ONLY, UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

54-A-98 APPEARANCE(S):

Jerome Heer, Director of Audits

Rob Henken, Director of Administrative Services

Mr. Heer gave a verbal report. The group reviewed some initial numbers from the Cambridge Advisory Group. This will be helpful once the numbers are refined in understanding who the population is, how they use health care and what kinds of decisions can be made as a government with regard to a relationship with both employees, retirees, vendors, third party administrators and providers in this community.

The work group is encouraged with the direction Mr. Henken has taken in hiring a Director for the Division of Employee Benefits.

A written progress report will be available at the May cycle.

The Committee took no action regarding this informational report.

16. 07F15 From Director, Administrative Services, a status report on the Ceridian payroll/personnel system. **(Also to be considered by the Committee on Personnel) (FOR INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

53-B-139 APPEARANCE(S):

Rob Henken, Director, Department of Administrative Services

Mary Reddin, Interim Director of IMSD

Mr. Henken gave a verbal report. He said the immediate task is to implement the revised project management structure and take another look at the project timetable.

SCHEDULED ITEMS (CONTINUED):

Ms. Reddin summarized a few of the major points. The number of staff people trained in Ceridian has increased to 91 % as of Friday. Also a significant database conversion was successful.

Discussion ensued and a written report will be forthcoming at the May cycle.

The Committee took no action regarding this informational report.

17. 07F16 From Director, Administrative Services, an informational report outlining the need to design and implement an information technology module to manage post-employment health and life benefits. **(Also to be considered by the Committee on Personnel)**

54-A-205 APPEARANCE(S):

Rob Henken, Director, Department of Administrative Services (DAS)
Mary Reddin, Director, Interim Director, IMSD

Mr. Henken explained that the technology module will provide payroll, time and attendance, benefits and other functions for active County employees and the other project will automate pension benefit functions for retirees. He said that neither the Ceridian nor the Vitech contracts include a technology module to address the administration of health care and life insurance benefits of retirees.

Discussion ensued.

The report will be come back at the May cycle.

The Committee took no action regarding this informational report.

18. 07-174 From Director Department of Administrative Services, requesting to amend Milwaukee County Ordinance Section 110.02(c)(9) relating to the administrative review procedure for actions of the Department of Administrative Services-Tax Refund Intercept Program (TRIP).

54-A-290 APPEARANCE(S):

Rob Henken, Director, DAS

Mr. Henken commented on the said request. The length of time for an appeal of the hearing officer's decision would be changed from six months to sixty days.

ACTION BY: (McCue) Approve. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

SCHEDULED ITEMS (CONTINUED):

19. 07-173 From Director, Department of Administrative Services, requesting authorization to proceed with the 2007 Budget Adjustments for Employee Fringe Benefits, AFCSME District Council 48 Collective Bargaining Agreement, Non-Represented Wage and Health Care, DC 48 Position Funding and Associated Revenues.

54-A-310 APPEARANCE(S):

Cynthia Archer, Fiscal and Budget Administrator, DAS
Scott Manske, Controller-DAS

ACTION BY: (Mayo) Approve

Ms. Archer gave an overview of the report.

Discussion ensued that any changes would require subsequent adjustments to revenues in various departments countywide. The report did not take into consideration any other 2007 budget issues that could potentially impact the 2007 County-wide fiscal impact.

The report recommended (1) approve the realignments in the budget transfers so the 2007 base can reflect the current reality because that becomes the 2008 base and (2) fill some critical DC 48 positions, especially in the area of parks with the goal of managing this potential shortfall.

Discussion ensued on the budget restoration.

Ms. Archer indicated that report recommendation #2 did not need to be addressed at this time. Supervisor Nyklewicz said that the Committee would only take action on the realignment of accounts.

A report will be presented at the next meeting on the health care savings and reconciliation of the anticipated deficit in Economic Development.

54-A-446 On the motion to approve the realignment of accounts. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

20. 07F17 From Director, Department of Administrative Services, a report on review of existing debt policies. **(FOR INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE) (1/25/07: Laid over report dated 11/15/06)**

54-A-455 APPEARANCE(S):

Pamela Bryant, Capital Budget Manager, DAS
Brian Della, Public Financial Management (PFM)
Ed Eberle County Executive's Office

SCHEDULED ITEMS (CONTINUED):

Rob Henken, Director, Department of Administrative Services (DAS)

Discussion ensued.

The purpose of the review was to determine if there were any changes that would provide the County with flexibility regarding its capital program. Of particular interest was the goal that limits the term of general obligation debt to 16 years. DAS and Public Financial Management reviewed the County's debt management and capital financing policy goals and recommended maintaining the existing policies. They also recommend that the County continue using sales tax revenue to offset debt service costs. The report reveals that without the use of sales tax revenue, expenditures and revenues for the 2007 operating budget would have to be adjusted by \$21.6M. The 2007 capital budget would be adjusted to reflect the addition of the \$21.6M in revenue.

Discussion ensued.

Mr. Eberle was asked what the preferred course of action the County Executive would take for covering the hole that exists in the operating budget as the result of the County Board changing its policy to cover non-capital projects.

Mr. Eberle said the County Executive is open to the merits of a debate with policymakers.

Discussion continued on reverting back to the previously adopted sunset policy.

Supervisor Mayo asked who brought the idea to the County Board to use the sales tax to offset operations versus wrongful debt. It was stated that the Department of Administrative Services and County Executive Walker.

Supervisor Nyklewicz requested that Ms. Bryant, submit in writing, what the 2008 fiscal challenge would be for the budget as it relates to the policy that is currently in place.

The Committee indicated that they would welcome commentary from the County Executive given the fact he has already taken a position relative to the tax levy. He can share his thoughts on how the gap will be covered.

Ms. Bryant stated she would provide the report after the bond issue because the final numbers will have an impact.

A report summary will come before the Committee in June.

The Committee took no action regarding this informational report.

SCHEDULED ITEMS (CONTINUED):

21. 07-172 From Fiscal and Budget Administrator, submitting the initial resolutions authorizing the issuance and sale of the 2007 General Obligation Corporate Purpose Bonds.

54-A-592 APPEARANCE(S):

Pamela Bryant, Capital Manager, DAS

Charles Jared, Bond Counsel for Milwaukee County

Rob Henken, Director, Department of Administrative Services (DAS)

Ms. Bryant highlighted the report. The 2007 Adopted Capital Improvements Budget includes corporate purpose bond financing of \$33,228,014. The Bender Park Boat Launch Dredging project was not eligible for bond financing and therefore is not included in the bond financing.

The net interest rate is approximately 4.03 percent. That interest cost would total \$13,124,798 over the life of the General Obligation Corporate Purpose issue for general County improvements.

54-A-643 Discussion ensued on the Milwaukee County Inclusive Housing Fund.

Ms. Archer stated that in the event the public purpose or capitalization issues lead to a determination that tax-exempt bonds (\$1,000,000) are not an appropriate source of funding for the housing fund initiative, DAS would come back to the County Board seeking authorization from the Board to pursue alternative means of financing the project.

54-A-654 Mr. Jared agreed with this assessment.

Supervisor Mayo requested that DAS put in writing the downfalls/pitfalls of why the County would use bond proceeds to finance the housing project.

ACTION BY: (Mayo) Approve Bond packet. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

22. 07F18 From the Director, Department on Aging, submitting an informational report on the December 2006 and Preliminary Year-End Income Statement of the Care Management Organization (CMO) under Family Care. **(Also to be considered by the Committee on Health and Human Needs) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

54-A-672 APPEARANCE(S):

James Hodson, Chief Financial Officer (CMO), Department on Aging

Mr. Hodson summarized the said report explaining that it reflects year-end numbers that review revenues, expenditures, and surplus. The preliminary net income is

SCHEDULED ITEMS (CONTINUED):

\$4,573,735 for 2006. CMO enrollment as of December 31, 2006 was 6,170 members, a net increase of 36 members from November 30, 2006 enrollment of 6,134 members.

Questions and comments ensued.

The Committee took no action regarding this informational report.

23. 07-187 From the Director of Audits, a follow-up review of the Family Care Program Eligibility and Enrollment Process.

54-A-718 APPEARANCE(S):

Jerome Heer, Director of Audits

Mr. Heer highlighted the said report. The report indicates that there is better tracking and improved coordination occurring within the system.

ACTION BY: (Mayo) Receive and place on file the report with a six-month status report from the department and Department on Audit on recommendations to be implemented. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

24. 07-12 (a) From Director, Department of Health and Human Services, an informational report regarding a potential 2007 revenue shortfall due to increased State Juvenile Corrections costs charged to Youth Aids Revenue. **(Also to be considered by the Committee on Health and Human Needs)**

54-B-18 APPEARANCE(S):

Corey Hoze, Director, DHHS
Chuck Brotz, DHHS

Mr. Hoze highlighted the report. He indicated an early projection shows a potential Youth Aids Revenue deficit due to the increased number of juvenile delinquents sentenced by Children's Court judges to State custody and placement in a Juvenile Correctional Institution (JCI) and the related increased costs compared to the adopted budget.

The Department was not recommending any corrective action at this time because (1) this is an early projection for 2007, (2) State Budget decisions will affect costs and revenues and (3) the State will not complete its reconciliation of Prior Year reimbursement revenue until May or June. However, the Department will continue to monitor and analyze those variables.

SCHEDULED ITEMS (CONTINUED):

54-B-65 Supervisor Nyklewicz said the Department needs to engage with the Intergovernmental Relations Division to inform the Milwaukee Delegation of the effects of the rate increases proposed in the Governor's budget in an excess of 30%. This would be about \$100,000 per youth, per year to be incarcerated in a State institution. Those costs are being passed onto Milwaukee County.

The \$100,000 was compared to a Harvard education. Comments were made that the State needs to take steps to curtail some expenses and overheads to manage costs. Mr. Hoze was encouraged to work with the media, elected representatives and Milwaukee delegation to expose this travesty.

54-B-179 Supervisor Coggs-Jones requested that staff draft a letter from the County Board to the Governor and Milwaukee delegation regarding the youth aids revenue.

54-B- **ACTION BY: (Coggs-Jones) Place on file the report and engage the IGR staff and department to draft a letter to the Governor and Milwaukee delegation to lobby for a reduction in the Juvenile Correction rates. Vote 7-0**
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

25. 07-134 From the Director of Audits, submitting an Audit of Milwaukee County Billing and Collection Practices, dated February 2007. (COPIES PROVIDED DIRECTLY BY AUDIT DEPARTMENT)

54-B-250 **APPEARANCE(S):**
Jerome Heer, Director of Audits

Mr. Heer highlighted the audit. The report recommended a "hybrid" centralization effort that retains initial responsibility for the billing and collection functions at the departmental level, but creates a centralized collection unit that will facilitate the application of best practices identified in the said audit.

The Tax Refund Intercept Program (TRIP) is a valuable tool and has collected revenue of \$4,883,680.

54-B-339 **ACTION BY: (Johnson) Receive and place on file with a six-month status report from DAS and Department of Audit. Vote 7-0**
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

26. 07-130 From the Director of Audits, submitting the 2006 Annual Report-Audit Hotline and Audit Activity Related to Fraud and Waste and Abuse, dated February 2007. (COPIES PROVIDED DIRECTLY BY AUDIT DEPARTMENT)

SCHEDULED ITEMS (CONTINUED):

54-B-348 APPEARANCE(S):

Jerome Heer, Director of Audits

Mr. Heer highlighted the report. The report provided a statistical summary of Hotline and other audit activity during the past year. A description of various categories of resolved cases as well as details of selected cases closed during 2006. Direct savings attributed to Audit Hotline and audit activity related to fraud, waste and abuse in 2006 totaled \$389,123.

Discussion ensued on offering an incentive of \$50 to \$100, similar to crime stoppers, for individuals who report abuse. It was discussed that perhaps this incentive may get more people involved.

Mr. Heer said he would like to do a query of other counties who have a similar program and get back to the committee.

54-B-392 ACTION BY: (Mayo) Receive and place on file. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

NOES: None

27. 07-184 From the Director, Labor Relations, requesting approval of the 2007-2008 Memorandum of Agreement between Milwaukee County and the Technicians, Engineers and Architects of Milwaukee County. **(Also to the Committee on Personnel)**

54-B-395 APPEARANCE(S):

Scott Manske, Controller-DAS

Jerome Heer, Director of Audits

Supervisor Mayo moved to take Items 27 & 28 together.

Supervisor Nyklewicz clarified that the fiscal notes were the only things to be considered by the Committee.

Mr. Manske provided a summary of the fiscal impact of the tentative contract agreement for the Technicians, Engineers and Architects of Milwaukee County (TEAMCO), for the years 2007-2008. The net impact for 2007 is \$19,140 and for 2008 \$79,160. The cumulative lift percentage on a base wage is 3.02%. He stated that DAS would be preparing a possible fund transfer for a future meeting of the Committee, which addresses a shortfall. The total cumulative lift percentage is \$139,450 or 5.31% of the base wages. There will be another open enrollment for these members (about 40) and there could be an additional impact as a result in shift where members go from a higher to lower cost plan. The current cost plan is \$4,260.

ACTION BY: (Mayo) Approve fiscal notes associated with the said contract. Vote 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7

SCHEDULED ITEMS (CONTINUED):

NOES: None

28. 07-183 From Director, Labor Relations, requesting approval of the 2007-2008 Memorandum of Agreement (MOA) between Milwaukee County and the Association of Milwaukee County Attorneys. **(Also to the Committee on Personnel)**

54-B-454 APPEARANCE(S):

Scott Manske, Controller-DAS
Jerome Heer, Director of Audits

Mr. Manske provided an overview of the revised report. The previous fiscal note had an incorrect table presentation (fiscal impact by year). The fiscal impact for 2007 is \$22,250 and \$149,500 for 2008. A possible fund transfer in 2007 will be prepared to address the shortfall. The cumulative impact is \$263,350 or 4.80% base wages of \$5,486,150.

- 54-B-480 ACTION BY: (Mayo) Approve fiscal notes associated with the said contract. Vote 7-0**
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

29. 07-185 From the Director, Labor Relations, requesting approval of the 2007-2008 Memorandum of Agreement between Milwaukee County and the Milwaukee Building and Construction and Trades Council. **(Also to the Committee on Personnel)**

54-B-486 ACTION BY: (Mayo) Lay over.

There being no objection, so ordered by the Chair.

30. 07-179 Resolution by Supervisor De Bruin, authorizing and directing the Department of Audit to conduct an audit of the development, implementation and direct and indirect costs of the electronic medical record (EMR) system being implemented for inmate medical services at the Criminal Justice Facility and the House of Correction. **(Also to Committee on Judiciary, Safety and General Services)**

54-B-490 APPEARANCE(S):

Jerome Heer, Director of Audits

Ms. Hervey advised that the Committee on Judiciary, Safety and General Services approved the resolution and added as co-sponsors: Supervisors Johnson, Broderick Devine and Cesarz.

Mr. Heer said the timeline would be in late summer or early fall.

54-B-503 ACTION BY: (Broderick) Moved approval. Vote 6-0

SCHEDULED ITEMS (CONTINUED):

AYES: McCue, Coggs-Jones, Johnson, Broderick, West and Nyklewicz (Chair)-6
NOES: None
EXCUSED: Mayo-1

31. 07-188 From Director, Department of Parks Recreation and Culture, in accordance with County Ordinance 56.30(9), is requesting approval to enter into a Professional Services Contract for real estate services related to Milwaukee Metropolitan Sewage District, MMSD, Intergovernmental Cooperative Agreement, ICA, File 06-478 with the Milwaukee County Parks Department, DPRC.

54-B-508 APPEARANCE(S):
Scott Manske, Controller-DAS

Mr. Manske explained the request.

54-B-518 ACTION BY: (West) Approve. Vote 7-0
AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West and Nyklewicz (Chair)-7
NOES: None

Supervisor Nyklewicz reiterated that the deadline to submit items/reports for the Committee is May 1st and the meeting has been rescheduled to Tuesday, May 15th. There is a special meeting at noon to approve the bonds.

Staff Present:

Cynthia Archer, Fiscal and Budget Administrator, DAS
Pamela Bryant, Capital Budget Manager, DAS
Rob Henken, Director, DAS
James Hodson, Chief Financial Officer (CMO), Department on Aging
Scott Manske, Controller-DAS
Jerome Heer, Director of Audits
Mary Reddin, Interim Director, IMSD-DAS
Barry Bateman, Director, GMIA
Anthony Sneig, Deputy Director, GMIA
Robert Dennik, Director, Economic and Community Development Division
Daniel Diliberti, Milwaukee County Treasurer
Lisa Marks, Acting Director, Department of Child Support Enforcement
Steve Cady, Fiscal and Budget Analyst, County Board

SCHEDULED ITEMS (CONTINUED):

This meeting was recorded on tape. Committee files contain copies of communications, reports and resolutions, which may be reviewed upon request to the Chief Committee Clerk. The official copy of these minutes is available in the County Board Committee Services Division.

Length of meeting: 9:00 a.m. to 12:30 p.m.

Adjourned,

Delores "Dee" Hervey

Chief Committee Clerk

DEADLINE

*The deadline for items for the next regular meeting
(Tuesday, May 15, 2007)*

is

Tuesday, May 1, 2007.

***All items for the agenda must be in the Committee Clerk's
possession by the end of the business day on
Tuesday, May 1, 2007.***



SPECIAL MEETING OF THE COMMITTEE ON FINANCE AND AUDIT

**Thursday, May 17, 2007 – 12:00 noon
Courthouse – Room 201-B**

**BID AWARD
of
General Obligation Corporate Purpose Bonds, Series 2007A**

(Bid Opening at 10:00 A.M.)

*ADA accommodation requests should be filed with the Milwaukee County Office for Persons with
Disabilities, 278-3932 (voice) or 278-3937 (TTD), upon receipt of this notice.*